

**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on
Tuesday, April 24, 2018 at 2:00 p.m.
Steinberg Conference Room, Suite 1700
1325 J Street, 17th Floor
Sacramento, California 95814

Acting Chair Augustin Jimenez called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:00 p.m.

1. Call to Order and Roll Call

The following Board members were in attendance:

Acting Chair, Augustin Jimenez for the Secretary of the California State Transportation Agency,
Steve Juarez for the State Treasurer's Office, and
Jacqueline Wong-Hernandez for the Director of the Department of Finance

IBank staff members in attendance were

Teveia Barnes, Stefan Spich, Nancee Trombley and William Pahland

Information Item

2. Executive Director's Report

Ms. Barnes began the Report by turning over the floor to Emily Burgos, Small Business Finance Center Manager, who provided an update on the Jump Start program. Ms. Burgos noted that 3 new loans had been made in the past month and provided a breakdown of the loans and the borrowers: a paint and body shop, an ice cream shop and a solar panel installer. She concluded by noting that 12 new individuals had received 63 hours of technical assistance, bringing the totals to 142 individuals provided with 416 hours of technical assistance.

Consent Item

3. Approve minutes from the meeting held on March 27, 2018

Acting Chair Jimenez asked for comment on the Minutes from the Board or the public. Hearing none, Mr. Juarez made a motion to approve the Minutes and Ms. Wong-Hernandez seconded. The Board members voted unanimously to approve the March 27, 2018 Board Meeting Minutes.

Action Items

- 4. Resolution No. 18-05 approving lending Infrastructure State Revolving Fund Program funds to the City of Paramount in an amount not to exceed \$6,700,000 to finance an eligible project known as the Water Well Number 16 Construction Project located in the City of Paramount.**

Ms. Lina Benedict, Municipal Finance Specialist, introduced Resolution No. 18-05. Ms. Benedict then introduced Ms. Sarah Ho, Assistant Director of Public Works for the City of Paramount. Acting Chair Jimenez thanked Ms. Ho for attending and then opened the discussion for Board questions.

Mr. Juarez began by asking Ms. Ho whether the City expected to undertake any other drinking water infrastructure projects in the near future. Ms. Ho responded that this project would make the City's water system more reliable and provide redundancy, and she did not expect any new projects in the near term. Acting Chair Jimenez asked Ms. Ho about the City's drinking water rate structure and whether the City was considering any changes in light of recent court rulings. Ms. Ho responded that no changes were currently being considered. Fritz Pahland, IBank's General Counsel, provided the Board a brief overview of the case law concerning challenges to utility rate structures. Mr. Pahland concluded by noting that even if a rate challenge was sustained, the remedy is to rebalance the rates to properly account for costs, including fixed financing costs, and would not be expected to cause a payment default. Acting Chair Jimenez thanked Mr. Pahland.

Acting Chair Jimenez thanked Ms. Ho. After asking for and hearing no public comment, Mr. Juarez moved to vote, which was seconded by Ms. Wong-Hernandez. The Board voted unanimously to pass Resolution 18-05.

5. Resolution No. 18-06 approving lending Infrastructure State Revolving Fund Program funds to the City of Laguna Beach in an amount not to exceed \$4,000,000 to finance an eligible project known as the Laguna Beach Sewer Infrastructure Project located in the City of Laguna Beach.

Mr. John Lee, Municipal Finance Specialist, introduced Resolution No. 18-06. Mr. Lee then introduced the borrower representatives: Mr. David Shissler, Director of Water Quality, and Ms. Hannah Johnson, Project Manager. Acting Chair Jimenez thanked Mr. Shissler and Ms. Johnson for attending. Mr. Shissler responded by thanking the Board for their consideration and thanking IBank for their past assistance.

Mr. Juarez asked about the relation of the current IBank loan to the proposed financing the City had sought from the California State Water Resources Control Board's Clean Water State Revolving Fund (CWSRF) program. Mr. Shissler responded that the CWSRF application was all about obtaining the lowest possible interest rate for the City. He noted that CWSRF was such a low cost financing option, and in such great demand, that the process was slow and the outcome uncertain. Acting Chair Jimenez asked about the timing of the various projects, and how the possible funding sources might impact that timeline. Mr. Shissler responded that the project submitted to CWSRF was not as advanced as those submitted to IBank, so the City had time to wait in the long line for CWSRF funding. He concluded by noting that the City might be back before IBank if the CWSRF was not feasible.

Acting Chair Jimenez asked for any further Board questions or public comment. Hearing none, Ms. Wong-Hernandez moved to vote, which was seconded by Mr. Juarez. The Board voted unanimously to pass Resolution 18-06.

Reporting/Non-Action Business

There was no further items of importance to discuss.

Public Comment

Acting Chair Jimenez asked if there were any questions or comments from the public and there were none.

Adjournment

Acting Chair Jimenez declared the meeting adjourned at approximately 2:17 p.m.